



BILLING CODE 6717-01-P
DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

Midcontinent Independent System Operator, Inc.

Docket No. ER13-2124-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

As announced in the Notice of Technical Conference issued on October 25, 2013, and as required in the Commission's October 16, 2013, order in this docket, there will be a technical conference in this proceeding on November 19, 2013, at the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC, Hearing Room 6.¹ The technical conference will be led by staff, and will be open for the public to attend.

Attendees may register in advance at the following webpage:

<https://www.ferc.gov/whats-new/registration/miso-11-19-13-form.asp>. Advance registration is not required, but is encouraged. Parties attending in person should still allow time to pass through building security procedures before the 9:00am (Eastern Time) start time of the conference

The conference will not be webcast, but will be accessible via telephone. Parties wishing to participate by phone should fill out the registration form and check the box indicating that they wish to participate by conference call, and do so no later than 5:00pm (Eastern Time) on Friday, November 15, 2013. Parties selecting this option will receive a confirmation email containing a dial-in number and a password before the conference. To the extent possible, individuals calling from the same location should share a single telephone line.

FERC conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations please send an e-mail to accessibility@ferc.gov or call toll free 866-208-3372 (voice) or 202-208-1659 (TTY), or send a FAX to 202-208-2106 with the required accommodations.

For further information regarding this conference, contact Cristie DeVoss at cristie.devoss@ferc.gov or 202-502-8441, or Melissa Nimit at melissa.nimit@ferc.gov or 202-502-6638.

The conference will consist of three sessions, as detailed below. For each session, a representative of Midcontinent Independent System Operator, Inc. (MISO) and a representative of MISO's Independent Market Monitor should be prepared to make

¹ *Midcontinent Independent System Operator, Inc.*, 145 FERC ¶ 61,044 (2013).

opening statements that address the questions below. After statements by the MISO and Independent Market Monitor representatives, Commission staff will ask questions; as time permits, other attendees (including telephone participants) may also ask questions. The times given below are approximate and may change, as needed.

Session 1: *Schedule 46*

(9:00am – 10:15am)

1. Explain in detail each step of the Constraint Management Charge Allocation Factor determination process under proposed Schedule 46.
 - a. For step one, define the terms “Hourly Real-Time RSG MWP” and “Resource CMC Real-time RSG MWG” and explain why the terms are equal for each hour and active transmission constraint, as stated in Schedule 46. Also, explain the determination of the Constraint Management Charge capacity committed (CMC_CAP_COM).
 - b. For step two, define the terms “RES_LP_VOL,” “TP_Next_Hour,” “RT_BLL_MTR_{GEN},” and “TP_Current_Hour.” Explain the determination of the hourly Headroom Available (HR_AVAIL), the Operations Headroom Need (HR_NEED), and the Capacity MW Needed (CAP_MW_NEED).
 - c. For step three, explain the criteria for determining whether a resource was available for commitment for a capacity resource commitment analysis period. Also, explain how MISO will select the Constraint Management Charge Replacement Resource (CMC_RR) and determine the associated Capacity Commitment Make-Whole Payment (CAP_COM_MWP).
 - d. For step four, explain the determination of the Capacity Contribution (CAP_CON), Constraint Management Charge Contribution (CMC_CON), and Constraint Management Charge Allocation Factor.
2. Explain in detail how the calculation of the Constraint Management Charge Allocation Factor under proposed Schedule 46 accounts for real-time Revenue Sufficiency Guarantee (RSG) costs allocated to Voltage and Local Reliability, the RSG Second Pass Distribution, and Day-Ahead Schedule Deviation and Headroom Charges. For example, explain why the product of the aggregate applicable real-time RSG credits and the difference between one and the Constraint Management Charge Allocation Factor equals the RSG costs funded through Day-Ahead Schedule Deviation and Headroom Charges, pursuant to the proposed revisions to section 40.3.3.a.v.

Break:

(10:15am – 10:30am)

Session 2: *Constraint Management Charges*

(10:30am – 12:00pm)

3. The description of the Constraint Management Charge in proposed Schedule 46 states that the Constraint Management Charge Allocation Factor Study determines the share of real-time RSG costs attributable to the “commitment of Resources for Active Transmission Constraints.” Should this instead be “Resources committed in any R[eliability] A[ssessment] C[ommitment] process or the L[ook] A[head] C[ommitment] process for an Active Transmission constraint and not otherwise attributable to Topology Adjustment and Transmission De-rates,” consistent with the definition of the Constraint Management Charge in section 1.537a of the existing MISO tariff?
4. Provide numerical examples demonstrating (a) MISO’s existing Constraint Management Charge formula under sections 40.3.3.a.iv and v, and (b) how MISO’s proposed revisions to its tariff will change this formula. Provide examples illustrating these formulas in the event that the Constraint Management Charge rate cap does and does not apply.
5. MISO states that the Constraint Management Charge Allocation Factor should be a better indicator than the Constraint Contribution Factor of the real-time RSG costs attributable to an active transmission constraint and that the Constraint Management Charge should “no longer be limited by the C[onstraint] C[ontribution] F[actor] of the Resource committed to address the relevant constraint.”²
 - a. Explain in detail why MISO should continue using the Constraint Contribution Factor in section 40.3.3.a.iv to calculate the “adjusted deviations” used to determine the real-time RSG Constraint Management Charges to be paid by market participants in sections 40.3.3.a.iv(a) and 40.3.a.iv(b).
 - b. In the event that the Constraint Management Charge rate cap does not apply, explain in detail why MISO should continue using the Constraint Contribution Factor in the denominator of the Constraint Management Charge formula provided in section 40.3.3.a.v to calculate the “adjusted deviations,” pursuant to section 40.3.3.a.iv, and to adjust topology adjustments or transmission de-rates.
 - c. In the event that the Constraint Management Charge rate cap applies, explain in detail why MISO should use the Constraint Management Charge Allocation Factor, rather than the Constraint Contribution Factor, to adjust the applicable hourly economic maximum dispatch amounts in the denominator of the Constraint Management Charge rate.
6. MISO proposes in section 40.3.3.a.v to modify the numerator of the Constraint Management Charge rate by multiplying the aggregate real-time RSG credits in an hour

² MISO August 7, 2013 Filing at 4, 7-8.

attributable to resources committed in the Reliability Assessment Commitment or Look-Ahead Commitment processes by “the Constraint Management Charge Allocation Factor, pursuant to Schedule 46.”

- a. In the event that the Constraint Management Charge rate cap does not apply, explain in detail how MISO’s proposal to begin adjusting the numerator of the rate by the Constraint Management Charge Allocation Factor, while continuing to use the existing Constraint Contribution Factor to calculate adjusted deviations and adjust topology adjustments or transmission de-rates in the denominator of the rate, will affect the applicable Constraint Management Charge rate. For example, will the proposal result in a decrease in Constraint Management Charge rates?
- b. In the event that the Constraint Management Charge rate cap applies, explain in detail how MISO’s proposal to begin using the Constraint Management Charge Allocation Factor to adjust the numerator and denominator of the rate will affect the applicable Constraint Management Charge rate. Specifically, by multiplying both the numerator and denominator of the rate by the same term, does MISO intend those terms to cancel (e.g., so that the Constraint Management Charge rate cap will equal the applicable Economic Maximum Dispatch amounts)?

Break

(12:00pm – 1:00pm)

Session 3: *Day-Ahead Schedule Deviation and Headroom Charge*

(1:00pm – 2:45pm)

7. MISO states that load zones with net injections “impact the management of congestion and may also result in a Post-Notification Deadline deviation in the Day-Ahead Schedule Deviation Charge rate formula.”³ Explain in detail how load zones with net injections cause the incurrence of real-time RSG costs, including any costs associated with Headroom Need.
8. Explain why MISO proposes in section 40.3.3.a.viii(6) to use “any positive difference” between a load zone’s actual energy withdrawal or injection adjusted by any associated demand response injections and its demand forecast in effect at the notification deadline when determining Day-Ahead Schedule Deviation and Headroom Charges. Contrast this with MISO’s use, pursuant to section 40.3.3.a.iii(4), of “any difference” between a load zone’s demand forecast in effect at the notification deadline and its actual energy withdrawal or injection adjusted by any associated demand response injections when determining Constraint Management Charges.

³ *Id.* at 19.

9. Explain in detail the determination of Day-Ahead Schedule Deviation and Headroom Charges if the sum of the Market-Wide Net Deviations and Headroom Need is (1) less than or equal to zero, (2) greater than or equal to the Economic Committed Capacity, or (3) greater than zero but less than the Economic Committed Capacity. Explain how this calculation accounts for situations where the Market-Wide Net Deviations are negative but the Headroom Need is positive, such that their sum is greater than zero.

10. MISO maintains that deviations that cause the commitment of additional resources are “the most relevant” causes of real-time RSG costs and that “the operative fact is the commitment of additional Resources in [sic] R[eliability] A[ssessment] C[ommitment], not the pricing circumstances of the market into which those Resources will be committed.”⁴

a. Describe the extent to which supply-increasing deviations that occur after the notification deadline affect the incurrence of real-time RSG costs, such as by reducing costs by augmenting available capacity and increasing costs by reducing real-time prices.

b. Using actual 2012 data, explain the extent to which supply-increasing deviations that occurred after the notification deadline caused the incurrence of real-time RSG costs.

c. Explain whether the implementation of MISO’s Look-Ahead Commitment process would affect the incurrence of real-time RSG costs due to supply-increasing deviations that occur after the notification deadline.

Conference Conclusion: Next Steps

(2:45pm – 3:00pm)

Staff will conclude the conference and outline next steps.

Dated: November 8, 2013

Kimberly D. Bose,
Secretary.

⁴ *Id.* at 17.

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